

Message Text

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E.O. 11652: GDS

TAGS: ENGR, PFOR, UNGA, AG

SUBJ: ALGERIAN MININD ABDESSELAM'S VIEWS ON OIL
AND WASHINGTON ENERGY CONFERENCE

REF: ALGIERS 0206; USUN 0358

STATE ALSO FOR T/IEP

1. SUMMARY: EL MOUDJAHID HAS PUBLISHED A TEXT OF SOME OF ALGERIAN MINISTER OF INDUSTRY ABDESSELAM'S COMMENTS IN TOKYO WHICH RELATE TO ALGERIAN CALL FOR SPECIAL SESSION OF UNITED NATIONS ON WORLD ECONOMIC PROBLEMS AND HIS EXPECTED VISIT TO WASHINGTON ON WAY HOME FROM TOKYO. ABDESSELAM ALSO COMMENTS ON ARAB OIL BOYCOTT, PRICES AND WASHINGTON ENERGY CONFERENCE. AN EDITORIAL GOES MORE INTO THE ISSUES ALGERIA WOULD LIKE TO SEE COVERED BY SUCH A CONFERENCE. END SUMMARY.

2. EL MOUDJAHID, SEMI-OFFICIAL ALGERIAN NEWSPAPER
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PUBLISHED ON JANUARY 30 LONG TEXT OF ABDESSELAM'S

COMMENTS IN TOKYO ON ENERGY. RE BOYCOTT, ABDESSELAM POINTS OUT OPEC HAD EASED SITUATION FOR THOSE WHO HELPED ARAB CAUSE. DISENGAGEMENT OF TROOPS IN EGYPT IS A GOOD SIGN. "BUT, I WOULD BRING TO YOUR ATTENTION FACT THAT PROBLEM BEFORE ARABS HAS SEVERAL ASPECTS WHICH ARE OCCUPATION OF EGYPTIAN TERRITORIES, AND OCCUPATION OF SYRIAN TERRITORIES, AND ALSO OCCUPATION OF PART OF PALESTINE WITH JERUSALEM IN 1967. CONSEQUENTLY FOR A SATISFACTORY MOVEMENT, IT MUST EFFECT ALL OF THESE THREE ASPECTS OF PROBLEM."

3. ON PRICES ABDESSELAM RECOGNIZES PROBLEM FOR NON-PRODUCERS' BALANCE OF PAYMENTS, BUT POINTS OUT THAT ALGERIA ALSO HAS BALANCE OF PAYMENT PROBLEMS WITH HIGH INTEREST RATES ON EXPENSIVE INDUSTRIAL DEVELOPMENT PROJECTS. HE SUGGESTS LIMITING GREAT PROFITS OF INTERNATIONAL OIL COMPANIES, ESPECIALLY AS THEY INVEST IN EXPENSIVE ENERGY SCHEMES OUTSIDE OF ARAB AREAS. ALSO RAISING PRICE OF OTHER PRIMARY PRODUCTS WILL ASSIST LDCS IN MEETING THEIR BALANCE OF PAYMENTS PROBLEM. WITH WORLD INFLATION IT WILL BE DIFFICULT TO ENVISAGE OPEC REDUCING PRICES WHEN IT REVIEWS OIL PRICES.

4. ABDESSELAM DEPICTS WASHINGTON ENERGY CONFERENCE AS EFFORT OF GREAT POWERS TO CONFRONT LDCS AGAINST OIL PRODUCERS. IT IS NOT PRIMARILY A PROBLEM OF OIL, HE SAYS, BUT RATHER FURNISHING OF ALL PRIMARY PRODUCTS OF LDCS TO DEVELOPED COUNTRIES. ON THIS POINT ALGIERS NON-ALIGNED CONFERENCE HAD SOME VERY PRECISE IDEAS. HE GOES ON TO SAY THAT IT IS IN SETTING OF NON-ALIGNED WHICH INCLUDES ALL THIRD WORLD THAT IT IS NECESSARY TO EXAMINE WORLD ECONOMIC PROBLEMS WITH PRODUCERS AND NON-PRODUCERS OF OIL. HE BRANDS AMERICAN CONFERENCE AS AN EFFORT BY U.S. TO DOMINATE WORLD PETROLEUM MARKET AND PRIMARY PRODUCERS. HE REJECTS SUCH DICTATION BY THE FEW DEVELOPED COUNTRIES.

5. HE OFFERS JAPAN MORE COMMERCIAL RELATIONS WITH ALGERIA INCLUDING 10 BILLION CUBIC METERS OF GAS A YEAR IN EXCHANGE FOR JAPANESE ASSISTANCE TO NEW FOUR YEAR PLAN WHICH CALL FOR SOME \$20 BILLION CAPITAL INVESTMENT OF WHICH OVER 50 PERCENT WILL BE FOR INDUSTRIAL DEVELOPMENT.

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6. ABDESSELAM'S STATEMENT IS CLEARLY RELATED TO BOUMEDIENE'S REQUEST, AS PRESIDENT OF THE NON-ALIGNED, TO UN SEC GEN WALDHEIM FOR AN EXTRAORDINARY SESSION OF THE UN ON NEW WORLD ECONOMIC RELATIONSHIPS (ALGIERS 0206). AN EDITORIAL ON THIS SUBJECT CITES NEED TO PREPARE FOR UN CONFERENCE ON WORLD ECONOMIC REFORM AND LISTS THE PROBLEMS TO BE RESOLVED:

AGRICULTURAL AND FOOD PRODUCTION, EVOLUTION OF INDUSTRIAL

PRICES, EQUAL PARTICIPATION IN MONETARY REFORM AND MULTI-LATERAL TRADE NEGOTIATIONS, THE NET TRANSFER OF RESOURCES FOR DEVELOPMENT, ACCESS TO AND COST OF TECHNOLOGY.

7. COMMENT: ABDESSELHEM MAY BE EXPECTED TO TAKE SIMILAR LINE WITH US OFFICIALS IF HE VISITS WASHINGTON ON HIS RETURN FROM JAPAN. ALGERIANS ARE WORRIED ABOUT MAINTAINING CURRENT OIL PRICES IN FACE OF COMPETITION FROM LARGER PRODUCERS WHO DO NOT NEED THE INCOME NOW, THE CRY OF ALARM AND OPEN HANDS FROM LESS FORTUNATE AFRICAN COUNTRIES AND INFLATION WHICH IS EATING-UP THEIR GAINS BOTH INTERNALLY AND EXTERNALLY.
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